



Issue 44

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*Insight* aims to provide useful information, links and tips in the areas of Risk Management, Occupational Health and Safety, Business Continuity Management, and other areas relating to management systems and corporate governance.

This issue:

- ASX strengthens Risk Management requirements
- Crafting a good RTW plan
- Minimising employee safety risks from home offices

## ASX strengthens Risk Management requirements

In late March the ASX Corporate Governance Council (the corporate governance promotion arm of the Australian Securities Exchange) released the third edition of the [Corporate Governance Principles and Recommendations](#) which commences on 1 July 2014.

As described on the ASX website, the Corporate Governance Council develops recommendations on the corporate governance practices to be adopted by ASX listed entities “*designed to promote investor confidence and to assist listed entities to meet stakeholder expectations*”.

ASX listed entities are obliged to benchmark corporate governance practices against these recommended practices, or justify why they do not conform.

Of course, such regulatory requirements pertaining to listed entities also demonstrate best practice corporate governance standards to other unregulated organisations.



This edition of the *Corporate Governance Principles and Recommendations* has strengthened the importance of risk management to good corporate governance.

Key changes relevant to risk management include:

- That a listed entity should disclose if it has an internal audit function, and if so, how the internal audit function is structured and what roles it performs; or if it does not have an internal audit function, the entity needs to disclose what processes it employs for



evaluating and continually improving the effectiveness of its risks and, if it does, how it manages those risks (Recommendation 7.3)

- That a listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks (Recommendation 7.4)

The ASX Corporate Governance Council has indicated that the substantial enhancement of risk management in the recommendations is designed to reflect the lessons of the GFC.

Companies who do not currently have an internal audit function, often the small- and medium-sized entities, should recognise from the ASX benchmark that an upgrade to their corporate governance practices is advisable (including formalising internal audit and risk management).

Please [contact QRMC](#) for more information.

## Crafting a good RTW plan

Return-to-work (RTW) plans are one of the most effective ways for injured workers to achieve a prompt and sustainable return to their duties. They can not only assist the affected employee in recovering from their injury and returning to work, but are also a vital tool to manage the costs of absenteeism to employers.

However, poorly designed RTW plans have the potential to do more harm than good, for example if a worker is further injured by unsuitable duties or their mental health is impacted by the triviality of imposed duties.

There is a range of key considerations when designing a RTW plan which, if acted upon, will maximise the benefit to both the worker and the employer by achieving an enduring and safe return to work.

Some of these elements are:

- Ensure that the worker's function is correctly understood and defined.
- Develop the RTW plan with explicit input from the affected employee.
- Work collaboratively with the employee's medical practitioner (particularly in order to clarify work implications of details provided in the medical certificate, and to seek medical opinions on any problems experienced while implementing the RTW plan).
- With the above information in place, determine what work duties the employee is able to perform. Give consideration not only to whether the duties are appropriate to the employee's functional capacity but also whether the duties are meaningful. Make suitable adjustments to the workplace.
- Develop set stages within the plan designed to effectively and carefully return the worker to full capacity. (These stages will need to be flexible and responsive to the experience of the worker.)
- Ensure processes are in place to maintain contact with the employee while they are on leave, so that lack of information doesn't become a stressor in its own right.





With appropriate attention to these elements, employees and their employers can benefit from the earliest and safest possible return to full duties of an injured worker.

Please [contact QRMC](#) for more information.

## Minimising employee safety risks from home offices

As QRMC has discussed in previous issues of *Insight*, telecommuting or working from a home-based office is an increasing trend of modern workplaces.

Mobile devices, web-based software, cloud storage and other technological advancements support the migration of work from formal business properties, during business hours, to any number of suitable and unsuitable external premises at any hour of the day or night.



In light of this ongoing trend, it is appropriate for employers (or PCBUs) to remind themselves that WHS-related duties and obligations apply to all work environments, be they a business office

or other worksite, or an employee's home from which they are undertaking work duties. The requirement to provide a safe working environment and system of work, and to train and supervise workers appropriately, holds for all work environments.

The following steps can assist a PCBU to accurately assess and manage the safety risks pertaining to home-based work environments:

- Inspect or obtain photos of the home workspace
- Conduct an inaugural and annual risk assessment, incorporating all of the items which would be checked in a business workspace, such as ergonomic setup, fit-for-purpose equipment, environmental conditions, housekeeping, access and egress, smoke alarms, emergency procedures, remote and isolated risks etc. Consider engaging an objective third-party to undertake these risk assessments, at least the first time.
- Document the potential hazards to worker safety
- Provide instruction to the worker about safe working methods appropriate to their duties and the workspace
- Develop and implement a process for workers (and other parties involved) for the identification and reporting of hazards and injuries
- Develop and implement processes to supervise and keep in regular contact with employees (particularly in the context of remote and isolated risks)
- If training is undertaken with office-based workers, ensure home-based workers are included
- Review the arrangements at least annually to ensure that they are still appropriate, are being complied with by the worker, and are safe for the worker.

Also [refer](#) to QRMC's *Insight* article *Importance of home office risk assessments* from August 2013.

Please [contact QRMC](#) for more information.

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